



Finance (No. 2) Act 2023

2023 CHAPTER 30

PART 4

DOMESTIC TOP-UP TAX

CHAPTER 3

APPLICATION OF MULTINATIONAL TOP-UP TAX PROVISIONS

[^{F1}272A Treatment of covered bond vehicles

- (1) This section applies where—
 - (a) a covered bond vehicle that is a member of a group would, ignoring this section, have a top-up amount or an additional top-up amount for an accounting period, and
 - (b) at least one of the other members of the group in that period—
 - (i) is located in the United Kingdom, and
 - (ii) is not a covered bond vehicle.
- (2) For domestic purposes, section 193 (calculation of top-up amounts) has effect for the purpose of determining the top-up amounts (and additional top-up amounts) of—
 - (a) the covered bond vehicle, and
 - (b) the other members of the group that are located in the United Kingdom, as if the adjusted profits of the covered bond vehicle were nil.
- (3) But subsection (4) applies if none of the members of the group that are located in the United Kingdom, and are not covered bond vehicles, have made a profit for that period (and accordingly will not, ignoring that subsection, have top-up amounts).
- (4) Each of those members has a top-up amount equal to the amount given by dividing—
 - (a) the sum of the top-up amounts and additional top-up amounts that, ignoring subsection (2), each covered bond vehicle located in the United Kingdom would otherwise have, by

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Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Section 272A. (See end of Document for details)

(b) the number of those members.

(5) For the purposes of this section “covered bond vehicle” has the meaning given by paragraph 53(7) of Schedule 19 to FA 2011.]

Textual Amendments

F1 [S. 272A](#) inserted (22.2.2024 with effect for accounting periods beginning on or after 31.12.2023 in accordance with Sch. 12 para. 1(2) of the amending Act) by [Finance Act 2024 \(c. 3\)](#), [Sch. 12 para. 42\(3\)](#)

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